FINANCE SECRETARIAT

Insurance of property or goods under the direct or indirect control of Government with the Indian Insurance Companies' Association Pool—Abolition of the Marine Insurance Fund of the India Store Department, London

OFFICIAL MEMORANDUM

No. FD 1674-W1 63, DATED BANGALORE, THE ... TH APRIL 1963.

The accompanying Office Memorandum No. PII-15(5)/60, dated the 4th March 1963 received from the Government of India, Ministry of Economic and Defence and Co-ordination (Department of Supply), New Delhi, on the above subject, is hereby republished in continuation of O. M. No. FD 3435/W1-62, dated the 9th July 1962.

R. M VANCHESWARA IYER,
Under Secy. to Govt., F. D.

GOVERNMENT OF INDIA.

MINISTRY OF ECONOMIC & DEFENCE & CO ORDINATION.

(Department of Supply)

No PII-15(5)/60. *New Delhi, Dated the 4th March 1963.*

OFFICE MEMORANDUM.

Subject.—**Abolition of Marine Insurance Fund of the India Store Department, London.**

The Marine Insurance Fund of the India Store Department, London was established several years ago primarily for the purpose of providing compensation to Indentors for loss and/or damage sustained to their goods during ocean voyage where the claims for such losses or damages are not enforceable on either the Carrier or the Supplier. For this purpose a fixed percentage (0 1%) is set aside from the departmental charges levied on the Indentors for arranging shipment on their behalf and the amount so collected forms the Marine Insurance Fund. This Fund was being operated upon on a year to year basis and any debits or credits at the end of each financial year were passed on to the Consolidated Fund of India.

2. This Ministry, in association with the Ministry of Finance (Department of Insurance), have recently reviewed the scope and utility of the Marine Insurance Fund in the light of the problems encountered by the India Store Department from time to time in operating the Fund. It has been observed that in practice the Fund was not able to admit all types of claims which normally arise during an ocean voyage, since it covers risks only under very limited circumstances. It was also felt that so far as Government cargo was concerned, the Government itself does not derive any benefit from